GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA

UNSTARRED QUESTION NO:3185
ANSWERED ON:11.08.2000
LOSSES IN ITDC
SANJAY PASWAN

Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) the details of financial assistance provided by the Government to the Indian Tourism Development Corporation during the last three years;

(b) whether the Government have made any efforts to ascertain the reasons of the Corporation's sudden running into losses;

(c) if so, the details thereof;

(d) the steps taken by the Government to make it profitable; and

(e) the reasons for the disinvestment of its share?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI ANANTH KUMAR)

(a): ITDC has not obtained any budgetary support from the Government during the last 3 years.

(b) & (c): The loss making situation is attributed, inter alia, to:

i) Higher Wage Bill
ii) Low turn-out of international business travellers.
iii) Currency crisis in South-East Asian countries making them cheaper destinations.
iv) Price under-cutting by private hotels.

(d): The measures taken/being taken by ITDC to improve performance of its hotels include, inter alia:

i) Aggressive marketing efforts.
ii) Emphasis on improvement of product to make them contemporary and competitive.
iii) Adoption of flexible policy for offering market driven price.
iv) Economy in expenditure.
v) Recovery of outstanding dues.
vi) Opening up new Duty Free Shops at domestic airports
vii) Setting up duty Paid Shop at Ashok Hotel, New Delhi.
viii) Introduction of more package tours specially through wet-leasing of coaches.

(e): Disinvestment in ITDC is as per declared policy of the Government.